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Control No. 5218
EIC-M-122
8 February 1968

ECONOMIC INTELLIGENCE COMMITTEE

NSA & DIA Declassification/Release Instructions on File.

Minutes of Meeting Held in
Room 4 F 31, CIA Headquarters Building
1000 Hours, 8 February 1968

PRESENT:

Dr. Edward L. Allen, Central Intelligence Agency, Chairman
Dr. Milton Kovner, Department of State
Kenneth Yalowitz, Department of State
Baxter Wood, Defense Intelligence Agency
John May, Defense Intelligence Agency
Anthony V. Krochalis, Department of the Navy
Dr. Robert A. Kilmarx, Department of the Air Force

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[REDACTED] National Security Agency

Jerome Forrest, Agency for International Development

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[REDACTED] Central Intelligence Agency, Executive Secretary
[REDACTED], Central Intelligence Agency

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[REDACTED] Central Intelligence Agency

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[REDACTED] Central Intelligence Agency

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ANNOUNCEMENTS:

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The Chairman introduced [REDACTED] new Executive Secretary of the Biweekly Working Group on Aid and Trade, replacing [REDACTED]

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[REDACTED] is also the coordinator for both the biweekly and annual reports on aid and trade. The Chairman also introduced [REDACTED] who assist Mr.

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[REDACTED] in the preparation of these reports.

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The Chairman announced the appointment of [REDACTED] as Vice Chairman of the EIC on 6 November 1967, replacing [REDACTED]

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[REDACTED] who was assigned to another Office. [REDACTED] is now Chief of the International Research Area, Office of Economic Research, CIA.

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The Chairman announced receipt of a request from General Yarborough, Acting Chief of Intelligence, Department of the Army, that the EIC consider preparing a coordinated study on the rice economy of South Vietnam. This study would require major contributions from the Department of Agriculture and the Agency for International Development, who are both doing a great deal of work in this field. The Chairman was doubtful that the EIC could add materially to this expertise.

NOTE: On 14 February 1968, the Chairman sent a letter to General Yarborough advising him that, as a result of extensive discussions with various offices of the Department of Agriculture and the Agency for International Development, and consideration within the CIA, the EIC has been forced to the conclusion that it would have little to offer to such a study. Therefore, unless there are overriding reasons for the EIC carrying out such a study of which it is not aware, the Committee does not propose to undertake this request.

New Covers for EIC Reports:

The Chairman, United States Intelligence Board, directed that the covers for any USIB publication should have a distinctive format in order that they may be easily identified. Copies of the USIB-suggested sample covers were sent to the EIC membership on 28 December 1967.

Abolishment of Subcommittee:

In a memorandum dated 20 November 1967 to the EIC, the Chairman asked for concurrence on the abolishment of the Subcommittee on Transportation. All members concurred in this action and the Subcommittee was abolished as of that date.

Status of EIC Reports:

EIC-R16-S8, "The International Trade and Transport of Communist China, 1966"

The Chairman reported that the draft of this report has been coordinated and is ready to be sent to the EIC members. A meeting to review this report is scheduled for 13 February 1968.

* Last Listing of SC (1 Oct 67) attached

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EIC Contribution to Updating of the SIC Study on Science
and Technology in Communist China

The OER/CIA draft of this paper was sent to the EIC members for coordination on 29 January 1968. Most of the comments and concurrences have been received and the final EIC contribution should be ready for transmittal to the SIC in the near future.

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[REDACTED]

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The Chairman announced that he had received a request from the EIC Subcommittee on Shipbuilding that an [REDACTED] be held in Washington, D. C., in May 1968. The request has been informally checked out with the office of the Deputy Director for Intelligence, CIA, and the Chairman will be submitting a request to the United States Intelligence Board, which he feels will be approved.

Conte-Long and Symington Amendments:

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Dr. Kilmarx, the Department of the Air Force representative, said that he would like the EIC to consider exploring the quality and adequacy of estimates of military spending and its impact on the economies of the less developed countries. After some discussion, Dr. Kilmarx was advised that [REDACTED] Chief, International Research Area, CIA, would contact him on this subject, and that the Chairman would also report to the EIC on developments.

APPROVAL OF MINUTES:

The minutes of the EIC meeting of 24 October 1967 (EIC-M-121) were approved.

REVIEW AND APPROVAL OF WORKING GROUP APPROVED DRAFT OF "AID AND TRADE ACTIVITIES OF COMMUNIST COUNTRIES IN LESS DEVELOPED AREAS OF THE FREE WORLD" (EIC-R14-S22):

The Chairman reported that representatives of the Departments of the Army, Agriculture and Commerce, who were unable to attend the meeting, had concurred telephonically in the report, in principle, to the EIC Secretariat prior to the meeting.

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The Chairman passed out copies of a redraft of the first part of the summary and a table on military credits and grants.

The Chairman said that the addition of a few summary tables at the beginning of the report would be a great help to the recipients.

A review of the report was conducted on a page-by-page basis.

Dr. Kilmarx, Department of the Air Force, suggested a rewording in the second paragraph of the summary dealing with Soviet prestige in the Middle East. It was decided to check the exact wording of the SNIE dealing with this subject.

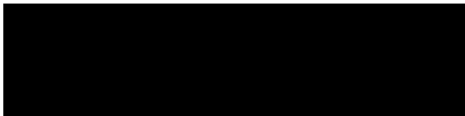
The Chairman suggested that, in the section dealing with academic students and technical trainees in Communist countries, it would be worthwhile to report on the kinds of jobs they were filling upon return to their respective countries.

Dr. Kovner, the Department of State representative, announced that State has approved the use of a sanitized version of this report

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Mr. Wood, the representative from the Defense Intelligence Agency, expressed his appreciation to the Working Group for the depth of this year's report. The membership present concurred in Mr. Wood's expression of appreciation.

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Executive Secretary

Secretary's Note:

By a letter dated 12 December 1967, Mr. Charles S. Murphy, Chairman, Civil Aeronautics Board, designated Mr. Francis S. Murphy, Chief, Projects Development Staff, Bureau of International Affairs, to replace Mr. Gilbert L. Bates. Mr. Murphy's alternate will be Miss Mary Irene Pett, an economist on Mr. Murphy's staff, who replaces Dr. Samuel L. Brown.

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